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ILL. C. C. DOCKET NO. 00-0411 (cons)
STATE OF ILLINOIS Staff
ILLINOIS COMMERCE COMMISSION Exhibit No. 1

ILLINOIS BELL TELEPHONE COMPANY (Ameritech Illinois)
and JATO COMMUNICATIONS CORP.

Witness

Date 6-22-00

Reporter tgb

) 00-0411

Approval of the Third Amendment to
Interconnection Agreement dated May 4, 2000,
pursuant to 47 U.S.C. §§ 252 (a)(1) and 252(e)

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VERIFIED STATEMENT OF A. OLUSANJO OMONIYI

My name is A. Olusanjo Omoniyi and I am employed by the Illinois Commerce Commission as a Policy Analyst in the Telecommunications Division. I graduated from Southern Illinois University at Carbondale with a Bachelor of Arts degree in Cinema & Photography and Bachelor of Science degree in Radio-Television in 1987. In 1990, I obtained a Master of Arts degree in Telecommunications and a Juris Doctor in 1994 also from Southern Illinois University at Carbondale. Among my duties as a Policy Analyst is to review negotiated agreements and provide a recommendation as to their approval.

SYNOPSIS OF THE AGREEMENT

I have reviewed the instant agreement between ILLINOIS BELL TELEPHONE COMPANY ("AMERITECH ILLINOIS" or "Carrier") and JATO COMMUNICATIONS CORP. ("JATO" or "Requesting Carrier"), dated May 4, 2000 which is the second amendment to the Interconnection Agreement dated September 7, 1999, Docket No.:99-NA-058. This agreement specifically amends two parts of the underlying agreement to comply with the order entered in FCC Docket No. 98-141, In re

Application of Ameritech Corporation, Transferor, and SBC Communications Inc.,
Transferee, For the Consent to Transfer Control of Corporations Holding Commission
Licensees and Lines Pursuant to sections 214 and 310(d) of the Communications Act
and parts 5, 22, 24, 25, 63, 90, 95 and 101 of the Commission's Rules.. The two
amended parts are as follows:

- 1) Addition of Appendix FCC Merger Conditions and;
- 2) Table of Contents to add additional Appendix.

This Amendment neither modifies nor extends the effective date or term of the
underlying agreement, but rather, contains a termination date specific to the FCC
Appendix adopted into the interconnection agreement which may or may not be
coterminous with the underlying agreement. The underlying agreement had established
the financial and operational terms for: networks on mutual and reciprocal
compensation; unbundled access to Ameritech's network elements, including
Ameritech's operations support systems functions; physical collocation; number
portability; resale; and a variety of other business relationships.

The purpose of my verified statement is to examine the agreement based on the
standards enunciated in section 252(e)(2)(A) of the 1996 Act. Specifically, this section
states:

- The State commission may only reject an agreement (or any portion thereof)
adopted by negotiation under subsection (a) if it finds that :
- (i) the agreement (or portion thereof) discriminates against a telecommunications
carrier not a party to the agreement; or
 - (ii) the implementation of such agreement or portion is not consistent with the public
interest, convenience, and necessity.

I APPROVAL UNDER SECTION 252(e)

A. DISCRIMINATION

The first issue that must be addressed by the Commission in approving or rejecting a negotiated agreement under Section 252(e)(2)(A) is whether it discriminates against a telecommunications carrier that is not a party to the agreement.

Discrimination is generally defined as giving preferential treatment. In previous dockets, Staff has taken the position that in order to determine if a negotiated agreement is discriminatory, the Commission should determine if all similarly situated carriers are allowed to purchase the service under the same terms and conditions as provided in the agreement. I recommend that the Commission use the same approach when evaluating this negotiated agreement.

A carrier should be deemed to be a similarly situated carrier for purposes of this agreement if telecommunications traffic is exchanged between itself and AMERITECH ILLINOIS for termination on each other's networks and if it imposes costs on AMERITECH ILLINOIS that are no higher than the costs imposed by JATO. If a similarly situated carrier is allowed to purchase the service(s) under the same terms and conditions as provided in this contract, then this contract should not be considered discriminatory. Evaluating the term discrimination in this manner is consistent with the economic theory of discrimination. Economic theory defines discrimination as the practice of charging different prices (or the same prices) for various units of a single product when the price differences (or same prices) are not justified by cost. See, Dolan, Edwin G. and David E. Lindsey, Microeconomics, 6th Edition, The Dryden Press, Orlando, FL (1991) at pg. 586. Since Section 252(i) of the 1996 Act allows similarly

situated carriers to enter into essentially the same contract, this agreement should not be deemed discriminatory.

B. PUBLIC INTEREST

The second issue that needs to be addressed by the Commission in approving or rejecting a negotiated agreement under Section 252(e)(2)(A) is whether it is contrary to the public interest, convenience, and necessity. I recommend that the Commission examine the agreement on the basis of economic efficiency, equity, past Commission orders, and state and federal law to determine if the agreement is consistent with the public interest.

In previous dockets, Staff took the position that negotiated agreements should be considered economically efficient if the services are priced at or above their Long Run Service Incremental Costs ("LRSICs"). Requiring that a service be priced at or above its LRSIC ensures that the service is not being subsidized and complies with the Commission's pricing policy. All of the services in this agreement are priced at or above their respective LRSICs. Therefore, this agreement should not be considered economically inefficient. Nothing in this agreement leads me to the conclusion that the agreement is inequitable, inconsistent with past Commission Orders, or in violation of state or federal law.

II IMPLEMENTATION

In order to implement the AMERITECH ILLINOIS - JATO agreement, the Commission should require AMERITECH ILLINOIS to, within five days from the date the agreement is approved, modify its tariffs to reference the negotiated agreement for each service. Such a requirement is consistent with the Commission's Orders in


previous negotiated agreement dockets and allows interested parties access to the agreement. The following sections of AMERITECH ILLINOIS' tariffs should reference the AMERITECH ILLINOIS - JATO Agreement: Agreements with Telecommunications Carriers (ICC No. 21 Section 19.15).

Furthermore, the Commission should require AMERITECH ILLINOIS to file a copy of the approved agreement with the Chief Clerk's Office, within five days from the date the agreement is approved. The Chief Clerk should be directed to place the agreement in a separate binder. Such a requirement is also consistent with the Commission's Orders in previous negotiated agreement dockets. For the reasons enumerated above, I recommend that the Commission approve this agreement pursuant to Section 252(e) of the Telecommunications Act of 1996.

VERIFICATION

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

I, A. Olusanjo Omoniyi, do on oath depose and state that if called as a witness herein, I would testify to the facts contained in the foregoing document based upon personal knowledge.



SIGNED AND SWORN TO BEFORE ME THIS 2^{1st} DAY OF
June, 2000.



NOTARY PUBLIC

